



DEPARTMENT OF
TREASURY AND FINANCE

MONTHLY
REPORT OF
**GENERAL
GOVERNMENT
FINANCES**

Statement for the Month Ended
28 February 2003

MONTHLY REPORT OF GENERAL GOVERNMENT FINANCES

FEBRUARY 2003

Operating Statement

A net operating surplus of \$110.5 million was recorded by the general government sector in February 2003. This compares with a net operating deficit of \$119.9 million in January 2003 and a net operating surplus of \$27.4 million in February 2002.

Revenue recorded in February 2003 totalled \$985.4 million, up \$32.1 million from January 2003. Revenue variations between these periods primarily reflect:

- higher Commonwealth grants (up \$57.9 million). This is mainly due to higher GST grants (up \$110.1 million), in line with the quarterly lodgement of Business Activity Statements, and higher North West Shelf petroleum royalties (up \$82.5 million) due to the timing of the receipt of this income. These increases were partially offset by lower grants for on-passing to non-government schools and local government (down \$133.1 million), as quarterly funding for these items was recorded in January;
- lower royalty income (down \$30.0 million) due primarily to lower revenue from alumina, nickel and gold royalties (which are received on a quarterly basis); and
- higher taxation revenue (up \$15.4 million) due to increases in stamp duty on financial and capital transactions (up \$14.7 million) and motor vehicle taxes (up \$14.9 million), partially offset by a reduction in taxes on insurance.

Expenses in February 2003 totalled \$874.8 million, \$198.4 million lower than January 2003. Relative to January 2003, the major variances occurred in the following areas:

- lower current and capital transfers (down \$151.9 million and \$25.7 million respectively), due mainly to the quarterly on-passing of grants in January to non-government schools and local government (as mentioned above), and the payment in January of State-funded per capita grants for non-government schools (\$41.2 million);
- lower monthly salaries costs (down \$38.4 million) mainly as a result of fewer working days during the month of February; and
- higher 'other' gross operating expenses (up \$22.1 million), largely reflecting increased school expenses as a result of the commencement of the school year.

Cash Flow Statement

A \$197.1 million net cash inflow resulted from operating activities in February 2003. Combined with a net cash outflow from capital investment of \$58.5 million, this resulted in a cash surplus of \$138.6 million for the month of February.

Eight Months Ending 28 February 2003

A cumulative net operating surplus of \$306.3 million was recorded for the first eight months of 2002-03, compared with a \$387.2 million surplus for the same period last year. Revenue and expenses were higher by \$241.2 million (or 3.2%) and \$322.1 million (or 4.4%) respectively compared with the same period last year.

A cash deficit of \$178.4 million was recorded for the eight months to 28 February 2003, compared with a cash deficit for the same period last year of \$412.9 million. This improvement reflects both a higher cash inflow from operating activities and a lower cash outflow from capital investment.

GENERAL GOVERNMENT
Operating Statement

	2002-03				2001-02		
	Month of Jan \$m	Month of Feb \$m	Eight Months to 28 Feb \$m	Annual Estimate ^(a) \$m	Month of Feb \$m	Eight Months to 28 Feb \$m	Annual Actual ^(b) \$m
REVENUE							
Taxation	256.7	272.1	2,309.5	3,179.2	234.7	2,111.5	2,945.0
Current grants and subsidies	427.5	508.4	3,582.9	5,365.8	467.2	3,657.1	5,252.9
Capital grants	40.5	17.5	215.0	305.7	20.7	222.9	267.1
Sales of goods and services	92.7	84.3	653.1	914.3	54.6	525.6	905.4
Interest income	7.4	8.7	72.0	103.5	9.1	77.1	121.6
Revenue from public corporations							
- Dividends	30.8	30.8	256.6	373.8	25.6	273.6	405.6
- Tax equivalent payments	17.9	20.5	207.3	225.1	8.3	201.3	237.0
Royalty income	61.9	31.9	422.6	672.1	16.8	394.1	635.9
Other	17.8	11.2	159.0	205.7	32.5	173.6	264.4
Total	953.3	985.4	7,878.0	11,345.3	869.5	7,636.8	11,034.9
EXPENSES							
Gross operating expenses							
- Salaries	381.0	342.6	2,929.5	4,383.1	315.0	2,729.8	4,208.7
- Depreciation & amortisation	50.9	48.1	380.6	618.1	38.7	320.0	568.4
- Superannuation	36.5	33.7	270.1	400.5	30.6	241.6	375.5
- Other	200.2	222.3	1,776.6	2,785.4	204.8	1,707.9	2,659.9
Nominal superannuation interest	20.5	23.0	184.1	276.2	23.1	185.1	277.6
Other interest	15.7	14.4	128.1	253.1	16.9	139.5	214.0
Current transfers	327.5	175.6	1,652.5	2,321.2	195.1	1,701.0	2,276.7
Capital transfers	40.9	15.2	250.2	254.7	17.8	224.7	257.5
Total	1,073.2	874.8	7,571.7	11,292.4	842.1	7,249.6	10,838.2
NET OPERATING BALANCE	-119.9	110.5	306.3	52.9	27.4	387.2	196.7

(a) Estimate for 2002-03 published in the 2002-03 *Government Mid-Year Financial Projections Statement*, released 20 December 2002.

(b) GFS data consistent with the audited *Government of Western Australia Consolidated Financial Statements* for the year ended 30 June 2002, released 24 February 2003.

Columns may not add due to rounding.

GENERAL GOVERNMENT
Cash Flow Statement

	2002-03				2001-02		
	Month of Jan \$m	Month of Feb \$m	Eight Months to 28 Feb \$m	Annual Estimate ^(a) \$m	Month of Feb \$m	Eight Months to 28 Feb \$m	Annual Actual ^(b) \$m
RECEIPTS FROM OPERATING ACTIVITIES							
Taxes received	286.0	257.7	2,209.9	3,183.4	235.1	1,967.2	2,968.2
Receipts from sales of goods and services	80.1	70.5	638.4	910.2	39.7	521.6	891.3
Grants and subsidies received	457.6	539.7	3,806.8	5,645.5	449.5	3,832.3	5,530.7
Other receipts	183.9	106.2	1,281.9	2,165.6	145.4	1,303.2	2,116.2
Total	1,007.7	974.0	7,930.1	11,904.7	869.7	7,624.6	11,506.4
PAYMENTS FOR OPERATING ACTIVITIES							
Payments for goods & services	-737.2	-569.6	-5,298.8	-7,780.5	-657.1	-5,134.3	-7,376.1
Grants and subsidies paid	-322.8	-137.6	-1,744.6	-2,519.3	-71.6	-1,633.9	-2,294.6
Interest paid	-25.6	-3.4	-118.6	-248.6	-6.5	-138.1	-220.1
Other payments	-49.2	-66.3	-506.9	-785.2	-120.5	-613.0	-855.5
Total	-1,134.8	-776.9	-7,668.9	-11,333.6	-855.7	-7,519.4	-10,745.9
Net Cash Flow from Operating Activities	-127.1	197.1	261.2	571.1	14.0	105.2	760.5
INVESTMENT IN NON-FINANCIAL ASSETS							
Purchase of non-financial assets	-60.6	-70.8	-494.3	-958.7	-65.5	-573.7	-894.1
Sales of non-financial assets	4.2	12.3	54.7	123.8	12.7	55.6	102.4
Total	-56.3	-58.5	-439.6	-834.9	-52.8	-518.1	-791.6
INVESTMENT IN FINANCIAL ASSETS							
Policy purposes	-20.0	-0.6	-29.3	-116.8	-	7.0	-93.3
Liquidity purposes	8.9	1.8	-0.7	50.3	28.9	-21.8	-11.5
Total	-11.1	1.2	-30.0	-66.5	28.9	-14.8	-104.7
Net Cash Flow from Investing Activities	-67.4	-57.3	-469.6	-901.4	-23.9	-532.9	-896.4
FINANCING ACTIVITIES							
Advances received (net)	-	-	-	-	3.2	-36.8	-13.4
Borrowings (net)	80.0	-44.1	-3.7	228.6	-3.6	-82.6	12.7
Deposits received (net)	-0.9	11.5	8.4	-	5.6	-91.0	-91.9
Other financing	-2.3	1.3	3.4	-44.2	7.5	-16.6	-24.9
Total	76.8	-31.3	8.1	184.3	12.7	-226.9	-117.5
Opening cash balance	722.3	604.6	913.4	934.5	509.4	1,166.8	1,166.8
NET INCREASE IN CASH HELD	-117.7	108.5	-200.3	-146.0	2.8	-654.6	-253.4
Closing cash balance	604.6	713.1	713.1	788.5	512.2	512.2	913.4
Net cash from operating activities and investments in non-financial assets	-183.4	138.6	-178.4	-263.9	-38.8	-412.9	-31.2
less finance leases and similar arrangements	-	-	-	-	-	-	-
GFS Cash Surplus	-183.4	138.6	-178.4	-263.9	-38.8	-412.9	-31.2

(a) Estimate for 2002-03 published in the 2002-03 *Government Mid-Year Financial Projections Statement*, released 20 December 2002.

(b) GFS data consistent with the audited *Government of Western Australia Consolidated Financial Statements* for the year ended 30 June 2002, released 24 February 2003.

Columns may not add due to rounding.

GENERAL GOVERNMENT

Taxation Revenue

	2002-03				2001-02		
	Month of Jan \$m	Month of Feb \$m	Eight Months to 28 Feb \$m	Annual Estimate ^(a) \$m	Month of Feb \$m	Eight Months to 28 Feb \$m	Annual Actual ^(b) \$m
TAXES ON EMPLOYERS' PAYROLL AND LABOUR FORCE							
<i>Payroll tax</i>	87.2	85.9	665.5	991.6	76.4	592.5	900.1
TAXES ON PROPERTY							
Land tax	-0.4 ^(c)	-0.2 ^(c)	259.7	266.5	-	221.5	225.7
Stamp duties on financial and capital transactions	71.6	86.3	609.0	799.0	90.2	592.7	786.9
Financial institutions transaction taxes	8.4	8.8	65.3	97.5	7.9	80.4	112.2
Other	0.6	0.7	45.6	50.8	0.7	43.8	47.4
<i>Total</i>	80.2	95.6	979.6	1,213.8	98.7	938.3	1,172.2
TAXES ON PROVISION OF GOODS AND SERVICES							
Taxes on gambling	7.3	11.6	79.2	116.6	4.8	71.0	112.9
Taxes on insurance	37.2	19.5	210.9	317.7	15.7	188.1	266.8
<i>Total</i>	44.5	31.1	290.1	434.3	20.5	259.2	379.7
TAXES ON USE OF GOODS AND PERFORMANCE OF ACTIVITIES							
<i>Motor vehicle taxes</i>	44.7	59.6	374.3	539.5	39.1	321.4	492.9
Total Taxes	256.7	272.1	2,309.5	3,179.2	234.7	2,111.5	2,945.0

(a) Estimate for 2002-03 published in the 2002-03 *Government Mid-Year Financial Projections Statement*, released 20 December 2002.

(b) GFS data consistent with the audited *Government of Western Australia Consolidated Financial Statements* for the year ended 30 June 2002, released 24 February 2003.

(c) This reduction reflects discounts allowed on early payment of land tax assessments. Columns may not add due to rounding.

Further information or enquiries related to this report may be obtained from the following officers:

Michael Barnes	Director, Fiscal Strategy	(08) 9222 9134
Graham Thompson	A/Assistant Director (Financial Reporting)	(08) 9222 9327
Sonya Monterosso	Distribution Enquiries	(08) 9222 9224
Facsimile		(08) 9222 9338

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